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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/624,330	07/24/2000	James P. O'Shaughnessy	N24-004	6594

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EXAMINER

POINVIL, FRANTZY

ART UNIT      PAPER NUMBER

3628

DATE MAILED: 01/12/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No. 09/624,330	Applicant(s) O'SHAUGHNESSY ET AL.	
	Examiner Frantzy Poinvil	Art Unit 3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 30 September 2004.
- 2a) ☐ This action is FINAL.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-13 and 15-24 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-13 and 15-24 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

1. Applicant's arguments with respect to claims 1-13 and 15-24 have been considered but are moot in view of the new ground(s) of rejection.

### ***Claim Rejections - 35 USC § 102***

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claim 15 is rejected under 35 U.S.C. 102(e) as being anticipated by Ray et al. (US Patent No. 6,018,722).

As per claim 15, all the claimed features of a computer-implemented system comprising means for: providing automated allocation advice (column 4, lines 1-3, figures 6 and 7), selection of investment securities (column 6, lines 12-40), customization of automated advice (abstract), execution of batch transactions in multiple investment securities in a portfolio (abstract and column 10, lines 13-26 and column 9, lines 22-35), maintenance and monitoring of investment portfolios and rebalancing of investment portfolios (abstract, figures 4 and 7) are taught by Jones et al.

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-13 and 16-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ray et al. (US Patent No. 6,018,722) in view of Garcia (US Patent No. 6,272,474).

As per claims 1-2, 16 and 24, Ray et al disclose an S.E.C. registered individual account investment advisor expert system whereby a consumer may invest in financial securities (see the abstract). The system and method comprise:

providing to a user's display a plurality of strategies, said strategies being quantitative methodologies of security selection from a universe of securities, in a manner by which the user may interact with the system in a self-directed manner (see figures 6 and 7 where it is displayed flowcharts of an asset allocation model wherein various strategies are developed based on a plurality of variables or parameters);

providing to the user's display performance figures pertaining to each strategy since its inception against a preferred benchmark (see column 5, lines 33-58);

permitting the user to view the suggested financial securities of each strategy and then to add securities to or remove securities from the list and to replace any security (column 5, lines 33-58 and column 7, lines 4-28);

Replacing securities with the next ordinal replacement suggested by the strategy is not explicitly taught by Ray et al. Ray et al teach the selection process of a plurality of possible securities. See column 5, lines 5-10 and column 38-40. Ray et al further teach that a customer or the portfolio manager or broker may replace/add/delete securities to improve risks/returns. See column 7, lines 22-30 and column 8, lines 54-63. Thus, replacing securities with the next ordinal replacement would have provided the selection of the securities in a more orderly fashion and as such would have been obvious to the skilled artisan and would have been left to the user or to owners of the system of Ray et al. as such would not affect the functioning of the system of Ray et al.

Ray et al further teach facilitating the user to purchase suggested financial securities of a strategy in weights prescribed by the strategy or the user's customizations in an amount of the user's choosing through a qualified broker (column 8, lines 54-63; column 9, lines 23-43 and column 10, lines 14-26).

Ray et al do not explicitly disclose the user may view at the user's discretion descriptive information including selection methodology, community discussion, community chats, and/or community polls regarding each strategy. A user viewing community chats and discussion or polls regarding particular stocks or investment strategies are well known in the art when a remote user uses a web browser to assess information from the Internet.

Applicant is directed to the teachings of Garcia. Garcia teaches a method for monitoring and trading stocks via the Internet. See the abstract. Garcia teaches a user viewing community chats and discussion or polls regarding particular stocks or investment strategies. See column 2, lines 23-29 of Garcia. It would have been obvious to one of ordinary skill in the art at the time

the invention was made to introduce the teachings of Garcia into the system of Ray et al in a network environment for providing stock and investment information to a user in order to facilitate remote investors with instant investment news and other related updates regarding particular securities.

As per claim 3, rebalancing funds into an account is well practiced in the art. Ray et al teach reviewing a user's portfolio and make appropriate adjustments. See column 8, line 63 to column 9, line 14 of Ray et al. Moreover, a user periodically rebalances the user's holdings into updated recommendations of that strategy or another strategy which resides in the system would have been obvious to do in the system of Ray et al and Garcia in order to enable a user to minimize risks and/or maximize profit.

As per claims 4-5, users in an investment system usually pay a fee or commission or other related fees for services rendered by a broker or by the investment computerized system. See column 10, lines 22-26.

As per claim 6, see the rejection of claim 1 regarding a remote user accessing the computerized system of Ray et al and Garcia.

As per claim 7, Ray et al teach means for questioning the user to obtain a profile of the user and means for supplying a profile product to a user, the profile product being deemed suitable to the user by the results of said questioning. Applicant is directed to column 5, lines 1-44 of Ray et al.

As per claim 8, Ray et al teach means for supplying the user with the recommendations of an active manager in place of a quantitative methodology for selecting stocks. Note column 6, lines 6-18 and column 8, lines 4-30 of Ray et al.

As per claim 9, the combination of Ray et al and Garcia teaches means where the user may customize the suggested list of a strategy for individual purchase by replacing one of the securities with a stock of the user's choosing. See column 7, lines 22-37 and column 8, lines 22-62 of Ray et al.

As per claims 10-13, Ray et al. disclose means for transmitting to a user's display research data of particular securities. Garcia teaches means for displaying historical performance of securities over a period of time. See the abstract. Ray et al teach means for a user to create and invest in the user's own strategy which is an allocation of other strategies on the system, including those derived from the recommendations of an active manager through various testing of user defined strategies backwards in time and observing their hypothetical performance as compared to a plurality of benchmarks. Note columns 6 and 7 of Ray et al.

As per claim 17, steps or means for a user to monitor news, performance and research related to a user's investment is well practiced in the art. See the teachings of Garcia. Implementing such a scheme in the system of Ray et al as taught by Garcia would have been obvious to the skilled artisan in order to provide users or investors with latest updates which may have in impact reflecting the user's portfolio or investment strategies.

As per claim 18, rebalancing funds into an account is well practiced in the art. A user periodically rebalances the user's holdings into updated recommendations of that strategy or another strategy which resides in the system would have been obvious to do in the system of Ray et al and Garcia. A user's stock holding may be changed according to changes in the recommendations of the one said investment strategy, said user's changed circumstances or said user's changed tax situation.

As per claim 19, the user in the combination of Ray et al and Garcia is a customer of a provider of said computer system.

Furthermore both Ray et al and Garcia teach:  
said customer maintains an account with a trading services provider; said customer's stocks are held by a custodial services provider, said system further comprising:  
means for communicating between said provider of said computer system and said trading services provider so that trades can be executed on behalf of said customer;  
means for communicating between said provider of said computer system and said custodial services provider so that said provider of said computer system is currently updated on the status of said user's stock holdings. Applicant is directed to column 1, line 55 to column 3, line 35 of Ray et al. and column 7, line 5 to column 8, line 15 of Garcia.

As per claim 20, Ray et al disclose the web site also provides the capability of permitting said user to select a mutual fund, account manager or other equity portfolio whose stock holdings



said user wishes to clone; and said computer system further comprising software to run said computer system to access the individual components of said mutual fund based on percentage of total assets; to provide analysis of said individual components' various factors to create a factor profile; to compare said factor profile with same factors for entire stock market to determine which factors deviated most from market factors, to backtest or customize factors that make up said factor profile; to use said factor profile and results of backtesting and customization to create portfolio of stocks; and said web site further comprising means for said user to purchase said portfolio of stocks. See columns 4 to 8 of Ray et al.

As per claim 21, Ray et al teach software for determining the best time for said user to sell stocks said user has decided to remove from portfolio so as to maximize tax benefits to said user. See column 8, line 62 to column 9, line 43 of Ray et al.

As per claim 22, the web site having the capability of permitting said user to purchase all stocks in said user's portfolio at once so as to avoid separate trade costs for each stock purchase would have been obvious to do in the combination of Ray et al. and Garcia in order to minimize a user's expense thereby providing an attractive system.

As per claim 23, Ray et al. disclose the software allows said user to review various investment strategies via the asset allocation model and to create out of said investment strategies said user's own unique portfolio. Applicant is directed to figures 6 and 7 of Ray et al.

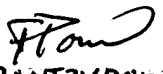
**Conclusion**

4. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Frantzy Poinvil whose telephone number is (703) 305-9779. The examiner can normally be reached on Monday-Thursday 7:00AM-5:30PM.

The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9326 for Before Final actions and (703) 872-9327 for After Final actions.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

FP  
December 29, 2004

  
FRANTZY POINVIL  
PRIMARY EXAMINER  
AU 3628